



Douglas County Internal Audit

July 24, 2012

Douglas County Board of Commissioners
1819 Farnam Street, Suite LC2
Omaha, NE 68183

Attention: Marc Kraft, Mary Ann Borgeson, Clare Duda, Mike Boyle, PJ Morgan,
Chris Rodgers and Pam Tusa

John Ewing, Douglas County Treasurer
1819 Farnam St.
Omaha, NE 68183

Dear Commissioners and Mr. Ewing:

I have completed an audit of the Douglas County property tax refund controls. The purpose of the audit was to assess the adequacy and effectiveness of the control processes used to ensure proper recording, approval and payment of property tax refunds. The audit revealed that, overall, controls were adequately designed and worked effectively, and that there were no reportable issues identified.

Background

As part of the fiscal year audit plan, Douglas County Internal Audit performs internal control testing for the Douglas County external audit firm, Hayes and Associates, LLC. The external auditor uses the test data provided by Internal Audit to formulate a professional opinion about the County's year-end financial statements. Below are the details related to the tests performed.

Objectives

The objective of the audit was to ensure that property tax refunds are properly recorded, approved and paid.

Scope and Methodology

The audit included testing property tax refunds from the period 7/1/11 through 6/18/12. A sample of forty refunds was randomly selected. The forty items consisted of six personal property refunds and thirty-four real property refunds. The following tests were performed:

- The refunds were reviewed to see that they were properly approved by the Treasurer's office.
- The tax payment refunds were reviewed to see that they were approved by the County Board.
- The refund amounts and reapplications were recalculated for accuracy.
- The refunds and reapplications were appropriate and supported by source documentation.
- There was evidence that the payments for taxes had been receipted.
- The check amounts agreed to the authorized refund amounts.

Findings

There were no issues identified.

Audit Standards

Internal Audit conducted this audit in accordance with generally accepted government auditing standards. Those standards require that the audit is planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for its findings and conclusions based on the audit objectives.

Internal Audit has reviewed this information with the Douglas County Treasurer. Internal Audit appreciates the excellent cooperation provided by management and staff. If you have any questions or wish to discuss the information presented in this report, please contact Mike Dwornicki at (402) 444-4327.

Sincerely,

Mike Dwornicki
Internal Audit Director

cc: Paul Tomoser
Joni Davis
Trent Demulling
Donald Stephens
Kathleen Kelley
Joe Lorenz
Patrick Bloomingdale
Tom Cavanaugh
Kathleen Hall

Tim Cavanaugh
Mark Rhine